

18 January 1956

Memorandum for: The Director

Subject: *Summary of* Executive Pay *Bill* *Legislation*

2. ~~You will recall that~~ The House passed an executive pay bill (H. R. 7619) during the ~~last~~ session. It fixed the basic compensation of the DCI at \$22,000, in the same category with the Secretaries of the Army, Navy and Air Force and the Director of the Federal Bureau of Investigation. The compensation of the DDCI was fixed at \$20,000, along with the Deputy Under Secretaries of State, the Under Secretaries of the Services and the Deputy Directors of a number of other agencies. In this bill, the compensation of the Assistant Secretaries of the Executive Departments was fixed at \$19,000, or one slot below the DDCI. The House bill also provided for a range of salaries at the GS-17 level up to a maximum of \$14,835, which is \$215 above the present maximum for that grade. The compensation for GS-18 was raised from \$14,800 to \$16,000.

3. A bill was introduced in the Senate (S. 2628). It was reported out, however, at the end of the last session, and a vote was blocked by Senator Morse and others on the ground that no hearings had been held. The Senate bill fixed the compensation of the DCI at \$22,000, along with the Secretaries of the Army, Navy and Air Force, the Director of the Federal Bureau of Investigation and the Administrator of Veterans Affairs. The compensation of the DDCI was fixed at \$20,000, along with several other positions, including the Assistant Secretaries of the Executive Departments. The pay range for GS-17 was the same as the range in the House bill, going up to a maximum of \$14,835. GS-18, however, was raised from \$14,800 to a range of \$16,000 to \$17,500.

3. In the opening days of the current session, Senator Johnston of South Carolina, Chairman of the Senate Committee on Post Office and Civil Service, indicated on the Floor that the Senate bill would be rereferred to his Committee and that hearings would be held in the near future. We have no official word as to when hearings will be held, but it is reported that they may start as early as the first of February. Administration witnesses will undoubtedly be called, and I suppose that Philip Young will be the principal witness.

4. On December 3 the Director sent a letter to Mr. Young outlining his views as to the proper place of this Agency in executive pay legislation. In that letter, the Director, without commenting on the amounts of compensation for himself or the Deputy Director, stressed the necessity of having these positions established at the appropriate level within the Executive Branch. He indicated that it would seem appropriate that the Director be bracketed with the Deputy Secretary of Defense, the Under Secretary of State and the senior Administrative Assistants to the President, and that the position of the Deputy Director should be equated to that of the Deputy Under Secretaries of State and the Under Secretaries of the Military Departments, as proposed in the House version, rather than at the level of Assistant Secretaries of the Executive Departments. It was pointed out that one of the principle reasons for establishing the position of the Deputy Director at this level was to permit the operating Deputies to deal as equals with the Assistant Secretaries of other departments. An identical letter was sent to the Director of the Bureau of the Budget.

5. On December 9 Mr. Young answered the Director's letter, paraphrasing the views expressed in that letter and indicating that he appreciated receiving it and that he would give the ranking equations consideration "at every stage" in the preparations for dealing with this matter. On December 15 the Director received a letter from Roger Jones of the Bureau of the Budget, indicating that all matters pertaining to the executive pay bill are to be handled by Mr. Young in his capacity as the President's Adviser on Personnel Management.

6. Since the receipt of these letters, we have tried to find out from Mr. Young's staff just what the Administration plans were with respect to the executive pay bill. I regret to say that we have not received any definitive word. I have the impression, however, that the Administration is not going to suggest any realignment of positions in the bill which would give a higher rank to any official in cases where the House and Senate bills were similar. If this is true, the DCI will remain in the group immediately below the Deputy Secretary of Defense and the Under Secretary of State. I have no definitive word on where Mr. Young stands on the position of the DDCI, but the Administration appears to favor the Senate version of the bill as a whole, and the Senate version is least satisfactory as far as the position of the DDCI is concerned. At this point, the plan appears to be to play matters

somewhat by ear. There are a lot of political angles to this bill, and it is very possible that further changes may be suggested within the Congress.

7. In view of the imminence of hearings on this bill, and the non-committal nature of Mr. Young's letter to you, it is recommended that you call Mr. Young and ask if any progress has been made on firming up an Administration position on this bill. It would do no harm to re-emphasize to him the importance which you attach to the position of the DDCI, which would be unsatisfactory to this Agency if the Senate language is adopted. It is not recommended that members of Congress be contacted directly, at least until the Administration position is clear.

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Norman S. Paul  
Legislative Counsel

CONCUR:  
25X1A

Inspector General

Date

*Concur*  
*CPC*  
*DDCI*  
*27 Jan 56*

The recommendations in paragraph 7  
are approved (disapproved).

Date

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Director of Central Intelligence